

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 696 - HB 1018

March 31, 2011

SUMMARY OF BILL: Creates the Civil Reparations Trust Fund (Fund) to be maintained by the Department of Treasury and used to provide grants to the Administrative Office of the Courts (AOC) for implementation of indigent civil litigation programs. Divides punitive damage awards equally between the plaintiff and the state, with the state's portion being deposited into the Fund. Requires the court to allocate attorney fees and costs equally between the plaintiff and the state when determining the amount to be deposited into the Fund. Subtracts the state's share from the total amount due to be deposited. Requires the court to notify the Attorney General (AG) of any punitive damages award within 30 days of final judgment. Grants the AG all rights of a judgment creditor, but defers collection of punitive damages until all other judgments have been fully paid unless all parties agree otherwise.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$200,000/Civil Reparations Trust Fund

Assumptions:

- The AOC maintains statistics on total damages awards but not specifically punitive damage awards.
- Of the 429 medical malpractice cases concluded in FY09-10, 30 proceeded to trial. Total monetary awards for these cases were \$7,128,800.
- In FY09-10, there were 10,469 total damage/tort and medical malpractice cases filed, and 10,872 cases concluded. Of the 10,872 case dispositions during the year, 588 (5.4 percent) proceeded to trial. Jury trials accounted for 263 (44.7 percent) and non-jury trials accounted for 325 (55.3 percent) of the cases proceeding to trial. Cases proceeding to trial decreased slightly from FY09-10. The four metropolitan areas (Davidson, Hamilton, Knox and Shelby Counties) reported 247 cases proceeding to trial, representing 42 percent of such cases.
- Of the 588 cases statewide proceeding to trial in FY09-10, 229 received monetary awards. The statewide total awarded was \$91,682,216, an increase of \$8,063,784 from FY08-09. Of the 247 cases proceeding to trial in the four metropolitan areas, 118 received monetary awards totaling \$64,247,573, a \$34,779,494 increase from FY08-09. The four metropolitan areas account for 51.5 percent of all damage/tort and medical malpractice awards for FY09-10.

- The average award for FY09-10 was \$400,359. This represents an increase of \$103,840 from the FY08-09 award average. The total amount of punitive damages awarded is unknown. Estimate assumes an average recurring increase in state revenue exceeding \$200,000 each year.
- Any additional cost to the Department of Treasury to maintain the Fund can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc